

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of

**The Market Conduct Examination
of Travelers Group of Companies.**

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) No. G 99 - 2

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) FINDINGS, CONCLUSIONS, AND

) ORDER ADOPTING REPORT

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BACKGROUND

An examination of the market conduct of Travelers Group of Companies (the Companies) was conducted by market conduct examiners of the Washington State Office of the Insurance Commissioner. The Companies consist of insurance companies authorized under RCW 48.05.030. This examination was conducted in compliance with the laws and regulations of the State of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the Office of the Insurance Commissioner. This examination was limited to activities relating to policies issued in the State of Washington and to claims closed for Washington insureds from October 1, 1996, through March 31, 1997.

The examination report with the findings and recommendations was transmitted to the Companies for comments on October 16, 1998. Responses to the draft report were received on November 30, 1998. The Companies did not request a hearing.

The Commissioner or a designee has considered the report, the relevant portions of the examiner workpapers, and the submission by the Companies.

Subject to the right of the Companies to demand a hearing pursuant to chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

The Commissioner adopts as findings the findings of the examiners as contained on pages 5-15 of the report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct of the Company.

ORDER

The examination report as filed, attached hereto and incorporated by reference, is hereby ADOPTED as the final examination report.

It is ORDERED that the Companies comply with the Instructions in the Report, as follows (references to pages and appendices are to the Report):

1. The Companies are instructed to correct any piece of advertising referenced in Appendix 1 which is still in use to show the specific companies name and home office location as required in RCW 48.30.050. (page 5) and notify all branch offices to discontinue use of the referenced forms.
2. The Companies are instructed to revise the Secure Homeowners Program Application to conform with the requirements in WAC 284-30-560(b) which requires the date, time and circumstances when coverage will be effective. (page 8)
3. The Companies are instructed to refile the rates and rate plans for all earthquake coverage for use in the migration to the SAFARI program planned for July 1998 to reflect the use of credits not covered in the current rate manual. Current filed plans do not comply with the requirements of RCW 48.19.040. (page 13)
4. The Companies are instructed to ensure that all written correspondence is done in the legal name of the appropriate company, as required by RCW 48.05.190(1). (page 9, 11, and 15)
5. The Companies are instructed to establish a procedure to ensure compliance with RCW 48.17.591 regarding offers to renew policies when agent contracts are terminated. (page 11 and 13)
6. The Companies are instructed to comply with RCW 48.22.085 regarding Personal Injury Protection waivers prior to issuing policies without PIP coverage. (page 14)
7. The Companies are instructed to change their documentation procedures to ensure that the requirements of WAC 284-30-570 are met on every cancellation. (page 14)
8. The Companies are instructed to monitor claim practices to ensure compliance with the trade practice rules established in Chapter 284-30, WAC. (page 16)

9. The Companies are instructed to notify the Office of the Insurance Commissioner that the appointments with Olympia Insurance Brokers in the personal lines companies are withdrawn. (page 13)

ENTERED at Lacey, Washington this 13th day of January, 1999.

DEBORAH SENN

Insurance Commissioner

By:

WILLIAM E. FRANSEN

Deputy Commissioner